

AMENDED IN ASSEMBLY JUNE 15, 2016

AMENDED IN SENATE MARCH 30, 2016

**SENATE BILL**

**No. 1162**

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**Introduced by Senator Berryhill**

February 18, 2016

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An act to add Section 20817 to the Government Code, relating to public retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1162, as amended, Berryhill. Public employees' retirement: Mammoth Lakes Fire District.

Existing law, the Public Employees' Retirement Law, creates the Public Employees' Retirement System (PERS), which provides a defined benefit to its members based on age at retirement, service credit, and final compensation. Existing law vests the Board of Administration of PERS with management and control of the system. Existing law authorizes any public agency to participate in and make all or part of its employees members of PERS, as specified.

This bill would authorize the Mammoth Lakes Fire District (MLFD) to request that the board transfer, and upon that request would require the board to transfer, *all or a portion of* available excess assets credited to the miscellaneous member category from the MLFD's employer account to satisfy the MLFD's unfunded accrued actuarial obligations for its safety plan ~~if specified conditions are met~~. *the market value of assets attributable to the MLFD's miscellaneous plan exceeds 150% of the amount that is the actuarial equivalent of the amount the system would be obligated to pay after the effective date of contract termination to, or on account of, persons who are or have been employed by, and on account of service rendered by them to, the MLFD, as specified.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the Mammoth Lakes Fire District.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 20817 is added to the Government Code,  
2 to read:

3 20817. (a) The Mammoth Lakes Fire District (MLFD) may  
4 request that the board transfer *all or a portion of* available excess  
5 assets credited to ~~the~~ *its* miscellaneous member-category plan from  
6 the MLFD's employer account to satisfy the MLFD's unfunded  
7 accrued actuarial obligations for its safety plan if ~~both of the~~  
8 ~~following are true of the miscellaneous plan from which the assets~~  
9 ~~will be transferred, as of the most recently completed valuation:~~

10 ~~(1) The actuarial value of assets attributable to the MLFD's~~  
11 ~~miscellaneous plan exceeds 200 percent of the accrued actuarial~~  
12 ~~liability, as determined by the chief actuary in accordance with~~  
13 ~~Section 20816.~~

14 ~~(2) The~~ *the* market value of assets attributable to the MLFD's  
15 miscellaneous plan exceeds 150 percent of the amount ~~which~~ *that*  
16 is the actuarial equivalent, including contingencies for mortality  
17 fluctuations, of the amount this system would be obligated to pay  
18 after the effective date of contract termination to, or on account  
19 of, persons who are or have been employed by, and on account of  
20 service rendered by them to, the MLFD, as determined by the chief  
21 actuary in accordance with subdivision (a) of Section 20576.

22 (b) Upon request, the board shall transfer the assets, in which  
23 case the transferred assets shall be used solely to satisfy the  
24 MLFD's current unfunded accrued actuarial obligations in its  
25 safety plan. The transferred assets shall remain in the trust fund  
26 and shall be for the exclusive use of the MLFD's safety plan.

27 (c) The amount that may be transferred pursuant to this section  
28 shall not exceed ~~either of the following:~~

29 ~~(1) The difference between the actuarial value of assets~~  
30 ~~attributable to the MLFD's miscellaneous plan and the amount~~  
31 ~~described in paragraph (1) of subdivision (a).~~

32 ~~(2) The~~ *the* difference between the market value of assets  
33 attributable to the MLFD's miscellaneous plan ~~and the amount~~

1 ~~described in paragraph (2) of subdivision (a).~~ *as of the most*  
2 *recently completed valuation and 150 percent of the amount of*  
3 *which is the actuarial equivalent of the amount the system would*  
4 *be obligated to pay as described in subdivision (a).*

5 (d) Before requesting the board to transfer available excess  
6 assets in its miscellaneous plan to satisfy the MLFD's unfunded  
7 accrued actuarial obligations for its safety plan, the MLFD shall  
8 notify its employees of the intended request. The notice to the  
9 employees shall be in writing. The notice to the employees shall  
10 be issued at least two weeks prior to requesting the transfer of  
11 assets between the plans.

12 (e) The MLFD shall submit a statement in writing to the board  
13 that the MLFD has notified its employees as described in  
14 subdivision (d) in order for the board to make the transfer.

15 SEC. 2. The Legislature finds and declares that a special law  
16 is necessary and that a general law cannot be made applicable  
17 within the meaning of Section 16 of Article IV of the California  
18 Constitution because of the unique circumstances faced by the  
19 Mammoth Lakes Fire District in funding its pension obligations.